



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 14, 2011

TO: Mayor and Councilmembers

FROM: Transportation Division, Public Works Department

SUBJECT: Increase Appropriations In The Streets Capital Fund For The Property Located At 319 West Haley Street

RECOMMENDATION: That Council:

- A. Approve an increase in appropriations in the Streets Fund in the amount of \$420,000 to buy out Santa Barbara County Association of Governments' (SBCAG) interest in the real property located at 319 West Haley Street (Haley Street Property), of which \$170,000 will be funded from unappropriated Streets Fund reserves, \$250,000 will come from a transfer of appropriated funds in the Measure D Fund, and the balance of \$50,000 will come from an allocation of existing appropriations in the Streets Fund for the Carrillo/Anacapa Intersection Improvement Project, for a total of \$470,000 for the buyout;
- B. Approve the transfer of appropriations in the amount of \$250,000 from the Carrillo/Anacapa Intersection Improvement Project in the Measure D Fund to the Streets Fund to cover a portion of the cost to buy out SBCAG's interest in the Haley Street Property;
- C. Approve an increase in appropriations and estimated revenues in the Fiscal Year 2012 recommended budget by \$36,968 in the Streets Fund, in recognition of lease income to be generated and received from the property at 319 West Haley Street, half of which was previously recognized as revenue in the General Fund;
- D. Reduce appropriated reserves and estimated revenues in the General Fund in Fiscal Year 2012 by \$18,485 related to the shift of lease revenues from the General Fund to the Streets Fund; and
- E. Terminate City Agreement No. 15,909 with SBCAG, dated March 5, 1991.

DISCUSSION:

On March 5, 1991, the City and SBCAG entered into a Cooperative Agreement for the purchase of real property located at 319 West Haley Street, to construct a new interchange at Castillo Street and Highway 101. That interchange project was dropped from the Measure D program. The land has been sitting vacant with the exception of a parking lot that is currently being leased to PathPoint. The City and SBCAG have been splitting the yearly rental income received from PathPoint in the amount of \$36,968.

SBCAG requested that the City buy-out of their interest in the Haley Street property. The City worked with SBCAG to reach an agreed upon amount, and they reached an agreement on April 20, 2011, for the amount of \$470,000. This payment will completely buy out SBCAG's interest in the Haley Street property and terminate the March 5, 1991 Agreement. All future lease revenue will be retained by the City in the Streets Fund.

BUDGET/FINANCIAL INFORMATION:

Funding for this buy-out will come from a combination of funding sources, as follows:

Streets Fund Unappropriated Reserves: The request is to appropriate \$170,000 from Streets Fund reserve balances. Currently, the reserve balance is \$544,624. This will leave a reserve balance of \$374,624.

Measure D Fund: The request is to transfer \$250,000 that is currently appropriated to the Carrillo/Anacapa Intersection Improvement Project. This will leave a balance of \$17,031 for this project.

Streets Fund: The request is to allocate \$50,000 that is currently appropriated to the Carrillo/Anacapa Intersection Improvement Project. This will leave a balance of \$111,571 for this project.

The City received a Highway Safety Improvement Program Grant for the Carrillo/Anacapa Intersection Improvement Project, which will cover construction. The remaining City funds, after the payment to SBCAG, are sufficient to cover the City's matching requirement under the grant to complete this Carrillo/Anacapa Intersection Improvement Project.

PREPARED BY: Browning Allen, Transportation Manager/kts

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office